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IN THE

Supreme Court of the United States

OCTOBER TERM, 1941

No. 632

314-685

TOMLINSON I. MOSELEY, RALPH M. KEELE and KEELMO CO., a corporation,

Petitioners,

vs.

UNITED STATES APPLIANCE CORPORATION,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT AND BRIEF IN SUPPORT THEREOF

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PETITION FOR WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE NINTH CIRCUIT

To: The Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Petitioners, Tomlinson I. Moseley, Ralph M. Keele and Keelmo Co. (a corporation) respectfully pray for a Writ of Certiorari to the United States Circuit Court of Appeals for the Ninth Circuit to review a judgment of that Court entered June 14, 1941. Petitions for rehearing were denied on August 19, 1941.

In conformity with the provisions of Rule 38 of this Court, a certified copy of the record including the proceedings in and the opinion of the Circuit Court of Appeals in this case accompanies this petition (Opinion R. Vol. IV, page 866; Decree R. Vol. IV, page 973; Orders denying petitions for rehearing R. Vol. IV, page 874).

SUMMARY STATEMENT OF THE MATTER INVOLVED.

The judgment sought to be reviewed herein was rendered by the Circuit Court of Appeals for the Ninth Circuit holding Letters Patent No. 1,984,585 (R. Vol. III, page 534) *valid and infringed* as to petitioners (by the application of the rule of estoppel), but *invalid because of want of invention* over the prior art as to another appellee (not a petitioner).

There is no dispute as to the facts. There is involved herein solely the question of patent law as to whether a claim of a patent (held totally invalid as to a stranger to the patent because of want of invention over the prior art) should be construed broadly in disregard of the prior art against those estopped to deny its validity, or should be construed narrowly in accordance with the prior art. The Circuit Court of Appeals decided this question in direct conflict with the decision of this Court in the case of *Westinghouse Co.* v. *Formica Co.*, 266 U. S. 342.

The petitioners here were held by the Circuit Court of Appeals to be estopped from denying the validity of the patent, and the circumstances creating the estoppel were briefly as follows:

The petitioner Keele (a hairdresser by trade) designed a steam hair curling machine for waving hair on the human head by the widely used Croquignole method. Steam was generated by means of an external boiler and conducted through hoses to a rubber jacket which was placed over the wound strands of hair (Croquignole wind-

ing) to impart heat thereto.[1] This jacket is the device of the patent in suit. In the language of the Circuit Court of Appeals for the Ninth Circuit (Opinion R. Vol. IV, page 867):

> "In using the device covered by the claim steam is allowed to enter the rubber jacket through a nipple in the rubber and to exhaust through another similar opening in the rubber jacket. The steam is conducted to the jacket by a tube from a boiler. The trade name of the plaintiff's complete outfit is 'Pyro-mist.' *The use of rubber as a lining for the enclosing jacket was known in the art.*" (Italics ours)

The patent in suit was assigned by Keele along with other patents on the "Pyro-mist" machine (while in application stage) to the respondent and the "Pyro-mist" machine, of which the patented device was a part, went on the market and was a total commercial failure and was commercially entirely abandoned (R. Vol. IV, page 869).

Thereafter the petitioner Keele invented an apparatus for waving hair known commercially as "Koolerwave",[2] which apparatus produces the waving temperature by means of an exothermic chemical cartridge disposed directly within a jacket (the device held to be an infringement of the patent in suit), that was applied to the wound hair. Such a jacket employs no such elements as the inlet or exhaust steam openings (necessary to the use of the device of the patent in suit) or nipples (and would not work it if had them), but has a chamber (not found in the patent) for the reception of the chemical cartridge.

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1. The Circuit Court of Appeals found all this mode of operation to be fully disclosed in the prior art.

2. Illustrated and described in Letters Patent No. 2,187,473, No. 2,187,474, No. 2,137,704 (R. Vol. III, page 590).

The Circuit Court of Appeals stated the difference between the jacket of the patent and the device held to infringe as follows (R. Vol. IV, page 871):

> "The defendant uses such rubber in its jacket and attempts to differentiate its apparatus from that patented by calling attention to the two openings in the jacket shown in the patent drawings for the entrance and exhaust of steam, *and the fact that its own device contains no such openings and would not work if it had them.*" [3] (Italics ours)

The petitioner Moseley aided Keele in the development of the "Koolerwave" apparatus and patents were granted thereon to the Keelmo Co., owned jointly by Moseley and Keele, for the "Koolerwave" apparatus and for the novel form of chemical cartridge employed therein. The patents so granted were Nos. 2,187,473, 2,187,474 and 2,137,704 (R. Vol. III, page 590).

The Keelmo Co. licensed the Rilling Arnao Company (not a party to the suit) under these patents and the latter manufactured and distributed the devices through dealers such as the Beauty Shop Supply Co., Inc. (a defendant below), paying a royalty to the Keelmo Co. for the use of its patents. The "Koolerwave" process was immediately and widely successful and is in general use (R. Vol. I, page 185).

In the opinion and judgment sought to be reviewed, the Circuit Court of Appeals for the Ninth Circuit found the patent totally invalid for want of invention (as against

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3. The Circuit Court also found: "The use of rubber as a lining for the enclosing jacket was known in the art." (R. Vol. IV, page 867).

Beauty Shop Supply Co., Inc., the appellee not held estopped) as follows (R. Vol. IV, page 868):

> "A consideration of these prior patents shows similar devices and it will be found that the patented device merely substitutes flexible rubber for other material used in the prior art to make a jacket. A substitution of one material with known characteristics for another material does not rise to the dignity of invention. Round Tip Pencil Co. v. Howard, 20 Wall. 498; Oliver Sherwood Co., et al., v. Paterson Ballaugh Co., 95 F. 2d. 70. *Similar jackets are found in the prior art.*"
>
> * * *
>
> "We therefore hold that plaintiff's patent in suit is invalid for want of invention." (Italics ours)

This Honorable Court in the case of *Westinghouse Co.* v. *Formica Co.*, 266 U. S. 342, expressly held that the same rule of construction of a patent is applicable in the case of an estopped assignor as is applicable between the patentee and a stranger to the patent. The following is an excerpt from that case:

> " 'The court will not assume against an assignor, and in favor of his assignee, anything more than that the invention presented a sufficient degree of utility and novelty to justify the issuance of the patent assigned, and will apply to the patent the same rule of construction, with this limitation, which would be applicable between the patentee and a stranger.' "[4]

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4. This language was taken and cited with approval by Mr. Chief Justice Taft from the decision of Mr. Justice Lurton in *Noonan v. Chester*, 99 Fed. 90.

The Circuit Court of Appeals in the instant case recognized this Court's ruling in the *Westinghouse Co.* v. *Formica Co.* case, supra, as follows (R. Vol. IV, page 871):

> "This question (of infringement) is not without difficulty because even as against a vendor of the patent the claims of a patent must be construed in the light of the prior art and be construed narrowly or broadly in accordance with the art. Westinghouse Co v. Formica Co., supra." (Insert ours)

However, the Circuit Court of Appeals then completely disregarded this rule by deciding the question of construction to be given a claim against an estopped assignor as follows (R. Vol. IV, page 872):

> "The patent claims, however, do not confine the invention to the specific form of apparatus shown in the patent drawings and does not mention such openings. Such openings were used in jackets shown in prior art patents cited above. *We can see no reason why the vendor of claim 3 of the patent should be permitted to narrow the claim and thus escape the charge of infringement where the patented apparatus is used with steam generated therein, hence, not requiring the use of openings for the passage of steam.*" [5] (Italics ours)

This ruling was decisive of the case on the question of infringement as to those estopped to deny validity.

Had the Circuit Court of Appeals for the Ninth Circuit properly applied the rule of the *Westinghouse Co.* v.

5. The patent contains twelve claims and all but claim No. 3 include the element "an opening for inflow of steam," not found in the device held to infringe and which device (in the language of the Circuit Court of Appeals) "would not work if it had them."

Formica Co. case, supra, in this case, it should have narrowed the claims in view of the well established rule of construction of patents as laid down in this Court and well expressed in the case of *Miller* v. *Eagle Manufacturing Company*, 151 U. S. 186, 14 S. Ct. 310,[6] and confined them to the specific apparatus described in the specification and shown in the drawings of the patent.

The manifest refusal of the Circuit Court of Appeals to give effect to the law of the *Westinghouse Co. v. Formica Co.* case, supra, by applying the rule of construction of the *Miller* v. *Eagle Manufacturing Company* case, supra, resulted in giving a construction to a claim of a totally invalid Letters Patent (*invalid because of want of invention over the prior art*), as against an estopped assignor, so broad that such claim is infringed by a part of a subsequently patented apparatus, which part was not intended to perform and incapable of performing the function of the device taught by the patent in suit, the functions of the apparatus held infringing not being contemplated by and incapable of being performed by the patented device made in accordance with the teachings of the patent in suit. By such construction the Circuit Court of Appeals has enjoined petitioner Keele (a hairdresser by trade) from using the "Koolerwave" apparatus and thus denies him of his constitutional right to engage in his calling on equal terms with all others.

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6. The following rule is stated in this case (151 U. S. at 208): "We think it manifest, from the prior state of the art, if the invention covered by his patent of 1879 was not anticipated, and if it has any validity, that it must be limited and confined to the specific spring device which is described in the specification and shown in the drawings forming parts of the letters patent. Being thus limited, there is clearly no infringement in the device used by the appellants or their principals, P. P. Mast & Company."

JURISDICTION.

Under Sec. 240 (a) of the Judicial Code as amended by the Act of February 13, 1925 (28 U. S. C. A. [a]), this Court has jurisdiction to review the judgment of the Circuit Court of Appeals herein. Judicial Code Sec. 41 (7) gives the District Courts of the United States original jurisdiction "of all suits at law or in equity arising under the patent, the copyright, and the trademark laws." The instant case is a suit in equity to enjoin infringement of United States Letters Patent No. 1,984,585. The Circuit Court of Appeals had jurisdiction of respondent's appeal (Judicial Code Sec. 129) from the decree of the District Court dismissing the suit on the grounds of non-infringement.

The judgment of the Circuit Court of Appeals was entered June 14, 1941. Petitions for rehearing were filed within thirty (30) days thereafter, and such petitions were denied on August 19, 1941, and this petition is filed within three (3) months thereafter (28 U. S. C. A. 350; R. S. Sec. 1008 as amended, Sec. 6 Act of September 6, 1916, 39 Stat. 727).

The discretionary power of this Court to grant a Writ of Certiorari is invoked upon the ground set forth in Rule 38, subdivision 5 (b) of this Court, in that the Circuit Court of Appeals for the Ninth Circuit "has decided a Federal question in a way probably in conflict with applicable decisions of this Court," to-wit, deciding the rule of construction of a patent claim as against an estopped assignor in direct conflict with the decision of this Court in the case of *Westinghouse Co.* v. *Formica Co.*, supra.

QUESTIONS PRESENTED.

(1) Does not the decisive ruling of the Circuit Court of Appeals—

> "The patent claims, however, do not confine the invention to the specific form of apparatus shown in the patent drawings and does not mention such openings. Such openings were used in jackets shown in prior art patents cited above. We can see no reason why the vendor of claim 3 of the patent should be permitted to narrow the claim and thus escape the charge of infringement where the patented apparatus is used with steam generated therein, hence, not requiring the use of openings for the passage of steam." (R. Vol. IV, page 872)

give a broad interpretation to a claim of an invalid patent (invalid because of want of invention over the prior art) in conflict with the law as to the scope of an estoppel laid down by this Court in the case of *Westinghouse Co.* v. *Formica Co.*, supra, and in effect widen the doctrine of estoppel, and thus by judicial decree enlarge the scope of the patent laws beyond their intent and purpose?

(2) Where a Letters Patent is held invalid for want of invention over the prior art as to all not estopped to deny its validity, should not the claims thereof be narrowly construed in accordance with the prior art in determining the question of infringement as to those estopped to deny validity?

(3) Should the claims of a Letters Patent held invalid for want of invention over the prior art as to all not estopped be so broadly construed as against those estopped

to deny its validity as to include a subsequent device which would be inoperative for its purpose if made in accordance with the teachings of the patent in suit, which patent does not disclose a device capable of or contemplating the use and functions of the subsequent device?

REASONS RELIED ON FOR THE ALLOWANCE OF THE WRIT.

(1) The decision of the Circuit Court of Appeals in the instant case decides an important Federal question of patent law in conflict with the decision of this Court rendered in connection with the case of *Westinghouse Co.* v. *Formica Co.,* (supra).

(2) The decision of the Circuit Court of Appeals in the instant case by failing to follow the rule of *Westinghouse Co.* v. *Formica Co.,* supra, and *Miller Manufacturing Company,* supra, has broadened the scope of the rule of estoppel as against patent assignors and those in privity with them in conflict with the law laid down in *Westinghouse Co.* v. *Formica Co.* (supra), and by judicial decree widened the scope of the patent laws beyond their intent and purpose.

(3) That to permit the rule as to estoppel laid down by the Circuit Court of Appeals in the instant case to stand in conflict with the decision of this Court in *Westinghouse Co.* v. *Formica Co.,* supra, would likely result in confusion and uncertainty and lack of uniformity in the various Circuits in the application of the rule of estoppel in cases arising under the patent laws of the United States, to the detriment of the fundamental purposes of the patent system.

(4) That by failure to follow the law as to the application of estoppel to patent assignors and those in privity with them as laid down by this Court in the case of *Westinghouse Co.* v. *Formica Co.*, supra, the Circuit Court of Appeals in the instant case has deprived petitioners of their right to select and engage in their calling on equal terms with others; thus substantial constitutional rights of citizens are involved.

Wherefore your petitioners respectfully pray that a Writ of Certiorari be issued under the Seal of this Court, directed to the United States Circuit Court of Appeals for the Ninth Circuit, commanding that Court to certify and send to this Court on a day to be designated a full and complete transcript of the record and all proceedings of said Circuit Court of Appeals had on this cause to the end that this cause may be reviewed and determined by this Court that the judgment of said Circuit Court of Appeals as to the matters raised herein be reversed, and that your petitioners may be granted such other and further relief as may seem just and proper.

Respectfully submitted,

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CERTIFICATE OF COUNSEL.

I hereby certify that the foregoing petition for Writ of Certiorari is not interposed for delay and in my judgment the same is well founded.

ALAN W. DAVIDSON,

Attorney for Petitioners.